Meeting Summary

Main Purpose & Context

The primary objective of this meeting was to discuss the establishment of a Londonist branch office in India, focusing on compliance, cost efficiency, and operational effectiveness. Londonist, a leading student accommodation provider with over 13 years of experience and a global presence (offices in Istanbul, China, Greece, and the UK), is seeking to expand its operations into India. The expansion is driven by the significant market potential in India, cost advantages, and the need to streamline back-office and support functions. The meeting brought together Londonist management and sales teams with Indian tax and compliance consultants to evaluate the optimal legal structure, location, and compliance requirements for the new branch. The discussion also covered the operational model, tax implications, regulatory hurdles, and the practical steps required for a compliant and efficient setup.

Key Topics Discussed

1. Introduction and Business Overview
Umang Gandecha provided a comprehensive overview of Londonist's business model, emphasizing their role in student accommodation for international students in London. He highlighted the company's high transaction volume (approximately 10,000 students annually), global reach, and the rationale for expanding into India, including cost benefits and market access.

2. Branch Office Setup in India
The core agenda was to explore the process and implications of opening a branch office in India. Joy Prakash Gupta outlined the need for a 10-person office to handle back-office, payroll, sales, marketing, and finance functions. The team sought advice on the best location (Tier 2 cities like Pune or Ahmedabad were suggested for cost efficiency), the legal structure (branch office vs. subsidiary vs. LLP), and the regulatory timeline.

3. Taxation and Compliance Considerations
Veenu Aggarwal and Kashyap detailed the tax implications of different legal structures. They explained that a branch office and its head office are treated as distinct entities for tax purposes, requiring arm's length transactions and transfer pricing compliance. The discussion clarified that even if the Indian branch does not generate revenue, transfer pricing rules may require a markup on cost reimbursements, subject to a corporate tax rate of approximately 38.5% on the markup. GST implications were also discussed, with the need to structure contracts and activities to avoid triggering unnecessary tax liabilities.

4. Operational Model and Revenue Flow
Joy Prakash Gupta and Aayush Trivedi explained that the Indian office would not

generate revenue directly; all invoicing and collections would occur in the UK. The Indian branch would function solely as a support office, handling student inquiries and back-office tasks. The consultants emphasized the importance of contract wording and operational boundaries to avoid creating a taxable presence in India.

5. Regulatory Process and Timelines
Veenu Aggarwal highlighted that opening a branch office in India is a time-consuming process, involving approvals from multiple ministries (Home Affairs, Finance, and RBI under FEMA regulations). The estimated timeline for branch approval is up to six months. In contrast, setting up a subsidiary company is faster (about one month) but may not align with Londonist's global branch structure.

6. Resource Planning and Location Selection
The team discussed the criteria for selecting the office location, including resource availability, cost, and operational needs. While Tier 2 cities offer cost advantages, the final decision would depend on the availability of suitable talent and regulatory considerations. The need for hybrid and remote work arrangements was also raised, with implications for GST and payroll compliance.

7. Next Steps and Information Exchange
It was agreed that Londonist would send a detailed email outlining their requirements, current presence in India, and preferred structure. The consultants would then provide a comparative analysis of legal structures, regulatory requirements, timelines, and costs, along with guidance on compliance and operational setup.

Participant Contributions

Joy Prakash Gupta (Londonist Management Team)
- Outlined the main agenda: "The main purpose of this call is to open a branch in India, so to have, so we say CCE cost compliance and efficiency, right. We are looking for these three things: compliant, cost, and also efficiency of the team." - Detailed operational requirements: "We are looking for a 10 people office as of now and how we can do the back office payroll processing, everything for the local branch and also we'll have some sales team, marketing team finance back, back, office." - Asked specific questions about tax implications for a non-revenue-generating branch: "If there is no revenue, there is no tax I have to pay, right? I'm not incoming. But if there's a salary I need to pay the local tax PAY or whatever tax there." - Clarified the operational model: "All the So what they will do is sitting there with a bunch of people. They're going to call student. Create a student here in the profile for to bring them to London. So we are not going to do any revenue in that branch. Branch is just only cost." - Requested a step-by-step guide and comparative analysis from the consultants.

Umang Gandecha (Londonist Management Team)
- Provided a detailed introduction to Londonist's business: "In a nutshell, what we do is

student accommodation. We've been operating for 13 years or just over 13 years... we're bringing about 10,000 students into the UK from all different countries." - Emphasized the importance of compliance and cost efficiency in the Indian expansion: "The plan now is... to grow in India. You may ask why you're going to grow in India. Number one is cost, cost benefit obviously. Second is market." - Highlighted the need for a support office structure similar to China: "Mr Vinu, we open a branch in China. It's meant to be a support office. This is like how we structured it in China. I know the rules and policies in India are different." - Stressed the need to follow expert guidance: "Sorry about me. We listen to Mr Binu. He's an expert, so we will just follow and then open accordingly on that."

Anil Hayat (Londonist Management Team)
- Participated in discussions about compliance and contractor agreements: "Just to give them a contractor agreement and make sure that they're paying their own tax in India to getting by reference number." - Raised questions about income tax and compliance for employees and contractors. - Supported the need for a compliant and phased approach to hiring and office setup.

Aayush Trivedi (Londonist Sales Team)
- Clarified the support nature of the Indian office: "It's a support process. Yeah, like, like we do in the licence branch office. No, it's a kind of a support process that we will be handling over here." - Explained the revenue flow: "Our customers are all across like the borders, but hamaraju bank account. It's basically in UK itself. So all the money get transferred from here to London account." - Confirmed that current staff in India are working under consultancy contracts, not as employees. - Asked about documentation and process requirements for branch setup.

Kashyap (Consultant)
- Broke down the branch setup process into three key areas: location, back office operations, and compliance/taxation. - Provided location advice: "If you are moving to a Tier 2 city would be a better one, because if you're looking at a rental or a kind of ownership premises, it will be a kind of Tier 2 city will [be more cost efficient]." - Explained the need for arm’s length transactions and transfer pricing: "The branch and the holding the branch and your head office will be treated as A2 distinct person for the purpose of GST here since tax or where we can say so even if you are getting the goods imported from branch, there is an applicability of [tax]." - Highlighted the regulatory complexity and time required for branch office approval. - Suggested that Londonist send a detailed email with requirements for a pointwise response.

Veenu Aggarwal (Consultant)
- Provided a comparative overview of legal structures: branch office, subsidiary, and LLP. - Explained tax implications: "The company is on a best structure with respect to a costing point of view." - Clarified transfer pricing requirements: "To even to recover the

reimbursement of those expenses, you have to add something as a markup on of this, which is in a transfer pricing transaction." - Detailed the regulatory process: "Branch office is a time consuming activity to open in India because here there are three ministries involved... the branch office may take approximately 6 months or more to open." - Addressed GST and payroll compliance for hybrid and remote workers. - Requested information on current staff locations to advise on GST and payroll strategy.

Paras (Consultant)
- Raised the issue of permanent establishment risk: "There might be a possibility of establishment of a permanent establishment in India, though you are not registered as a branch, but whatever income what you are sourcing that may be triggered to be taxed in India." - Highlighted the importance of contract structure and duration of presence in India under DTAA rules. - Provided guidance on dealing with RBI regional offices for branch approval.

Important Decisions

- Londonist will proceed with gathering internal requirements and send a detailed email to the consultants outlining their needs, current presence, and preferred structure. Süreç Devam Ediyor P0
- Consultants will prepare a comparative analysis of branch office, subsidiary, and LLP structures, including regulatory requirements, timelines, and costs. Süreç Devam Ediyor P0
- The team agreed to prioritize Tier 2 cities (Pune, Ahmedabad) for cost efficiency, but final location will depend on resource availability and regulatory considerations. Süreç Devam Ediyor P1
- All hiring in India will remain on a contractor basis until the branch office is formally established to ensure compliance. Tamamlandı P0

Tasks & Deadlines

Task	Responsible	Deadline	Status	Priority
Send detailed email outlining Londonist's requirements, current India presence, and	Joy Prakash Gupta / Londonist Team	Not specified	Süreç Devam Ediyor	P0

preferred structure				
Prepare and send comparative analysis of branch office, subsidiary, and LLP structures (including regulatory requirements, timelines, and costs)	Veenu Aggarwal / Consulting Team	After receiving Londonist's email	Süreç Devam Ediyor	P0
Advise on optimal office location based on resource availability and regulatory factors	Consulting Team	After initial analysis	Süreç Devam Ediyor	P1

Open Issues

- Confirmation of the optimal legal structure (branch office vs. subsidiary vs. LLP) for Londonist's India operations, balancing compliance, cost, and operational needs. Süreç Devam Ediyor
- Detailed guidance on GST and payroll compliance for hybrid/remote workers across multiple Indian states. Süreç Devam Ediyor
- Clarification of permanent establishment risk and DTAA implications for current contractor arrangements in India. Süreç Devam Ediyor
- Timeline and process for obtaining regulatory approvals (FEMA, RBI, Home Affairs, Finance) for branch office setup. Süreç Devam Ediyor

Meeting Participants

Name	**Role in Meeting**	**Key Contributions**

Joy Prakash Gupta	Londonist Management Team, Meeting Lead	Set agenda, clarified operational requirements, asked detailed tax and compliance questions, requested step-by-step guidance and comparative analysis.
Umang Gandecha	Londonist Management Team, Business Overview Presenter	Presented Londonist's business model, explained rationale for India expansion, emphasized compliance and support office structure.
Anil Hayat	Londonist Management Team, Compliance & Operations	Raised compliance questions, discussed contractor agreements, supported phased hiring and compliance-first approach.
Aayush Trivedi	Londonist Sales Team, India Operations	Explained support nature of Indian office, clarified revenue flow, confirmed contractor status, asked about documentation and process.
Kashyap	Consultant, Tax & Compliance Advisor	Explained branch setup process, provided location and compliance advice, highlighted transfer pricing and regulatory complexities, suggested next steps.
Veenu Aggarwal	Consultant, Tax & Regulatory Expert	Detailed legal structure options, explained tax and GST implications, outlined regulatory process and timelines, requested information on staff locations.

Paras	Consultant, International Tax Advisor	Raised permanent establishment and DTAA issues, advised on RBI regional office process, emphasized contract structure importance.
Shilpa Bajaj	Business Development, Coordination	Assisted with participant coordination and follow-up actions.